
STATE OF INDIANA

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School Property Tax Control Board Meeting Minutes February 15, 2007

The monthly meeting of the School Property Tax Control Board was held on Thursday, February 15, 2007. The meeting was held in the Indiana Government Center South, Conference Center Room 2, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Roger Umbaugh, Chuck Nemeth, Morris Mills, Joe Bronnert, Debbie Hineline, Richard Besinger and Kaitlin Boldt, Administrative Officer.

Minutes and Discussion: The election of officers was the first item of consideration, with Mr. Bronnert being elected Chairman and Mr. Mills elected Vice Chairman.

Mr. Umbaugh made a motion to approve the December 7, 2006 meeting minutes, which favorable carried by a vote of 6-0.

Mr. Mills commented that after reviewing the 2006 control board status log he would like to see the DLGF's action more closely follow the Control Board's recommendation, specifically on appeals.

Mr. Bronnert said that part of the problem was with Pension Bonds, and even though people do not like them they are part of the law, so if the requests meet the letter of the law they have to approve them. He believes the Commissioner appreciates the control board's comments and votes on lease issues. The Commissioner often requests additional information from the School Corporations.

Mr. Besinger said that he has a problem with severance pay. If they take the money from other funds they know they will be short eventually so they should not be negotiating the contracts. They should have the foresight to know they cannot make the contracts they are entering into. It is a snowball effect when they have to bail people out.

Avon Community School Corporation, Hendricks County: Officials request approval of a lease rental agreement with maximum annual payments of \$10,800,000 for a term of 25 years. Total project costs are \$129,900,000. The tax rate impact is \$0.3157 with a new facility rate impact of \$0.1000 expected. The common construction wage scale was passed with the Governor's representative abstaining from the vote. There was no application for a petition and remonstrance process. These projects are all over the DLGF's baselines for total project cost per square foot.

Present for the hearing was Dr. Tim Ogle, Superintendent; Dr. Joe Koval, Assistant Superintendent; Mr. Gary Brinkman, Board President; Dr. Margaret Huernemann, Assistant Superintendent; Mr. Mark Buckley, Board Member; Jim Thompson, Architect – Gibraltar; Bob Dalton and Dale Wagner, Gibraltar Design; Rod Wilson, City Securities and Karl Sturbaum, Bose McKinney & Evans.

Project: The project consists of the construction of a new middle school building beginning in 2007, the construction of a new elementary school and a twelfth grade satellite addition to Avon High School in 2008, renovation of a small portion of the vacated portion of the existing Avon Middle School to a district Technology Center after completion of the new building, and acquisition of a 66 acre site for future school use. It is anticipated that such projects will provide Avon students with sufficient classrooms and facilities that additional construction will not be needed until at least 2013.

The New Middle School will be located directly east of the existing Sycamore Elementary School on approximately 73 acres of school owned, but undeveloped, land. The new building will be approximately 210,000 square feet to accommodate approximately 1,000 students. The new building will be designed to accommodate future classroom additions should they become necessary and will be organized in 7th grade and 8th grade classroom “houses” for approximately half of the building population, thus giving a smaller feel to the school. In addition to 28-32 classrooms, programming anticipates a Science lab opportunity, Special Needs classrooms, Large and Small Group Instruction rooms and computer labs and technology throughout the school. Specific special classrooms for a diverse and encompassing middle school curriculum include but are not limited to areas such as Art, Music, and a Gymnasium. The building is expected to be delivered to the School Corporation in June 2009 in order to furnish the facility and open for school in August 2009.

The New Elementary School will be located in the northwest corner of the township on approximately 22 acres of available land situated between and connected to CR100N and CR75N. The new building will be approximately 113,300 square feet and accommodate 750 students. The new building will be organized into classroom pods that facilitate easy communication within the building. In addition to 24 traditional classrooms, programming has been developed for Kindergarten, Special Needs classrooms, and today’s educational technology throughout the school. Special classrooms include Art, Music and the Gymnasium. The district does not expect to start construction until mid -2008. Construction should be concluded in June 2010 in order to furnish the facility and open for school in August 2010.

At Avon High School, additions are expected on two sides of the building and the campus will be enlarged and developed. Thirty-eight acres will be purchased with proceeds of the initial bond issue. With proceeds of the 2008 Bonds, additions of approximately 148,000 square feet will be constructed on the south and east sides of the existing school. The building additions will provide easy access and sharing of existing High School programs in Music, Art, Food Service and Physical Education.

The east addition will include classrooms and other learning environment spaces and will allow the building to accommodate at least 800 more students. It is expected that twelfth grade

students will occupy this addition and it is being programmed to permit more interaction with visitors and to facilitate an environment in which seniors can undertake internships with area businesses, have college level classes both on-site and away from the Avon campus and utilize smaller group instructional methods within the facility. The physical education area will be expanded to permit additional gymnasium and recreational space for the entire student body. It should be noted that bleachers are not expected in the addition; rather this addition is to permit physical education instruction for over 3300 students expected at Avon High School by 2013.

The site improvements at the high school will include improved traffic flow throughout the campus along with an increase in parking for visitors for various events. To accomplish that, it will be necessary to build access roads including a new bridge over a small stream that runs along the edge of the eastern property boundary. Some additional athletic fields will be added to the south to accommodate the increase in student population. Initially, the open land to the south may provide additional parking lots together with grass planted areas, although it is likely that in subsequent years, youth athletic leagues needs may require development of portions of the land into athletic fields.

The fourth part of the project is the renovation of the technology portion of the existing Avon Middle School into a district wide technology center. Expansion will be into existing vacated space once the new Middle School is completed. In order to reduce costs, as much of the existing technology infrastructure as possible will be left in place. Programming includes service shop for equipment, training spaces, staff office space, and related functions needed to support educational technology throughout the District.

The fifth portion of the project is the acquisition of approximately 66 acres of land for future school corporation use. The acquisition is from a series of trusts and legal agreements are being drawn up. Nevertheless the trustees have agreed in principle to sell the land to the school corporation for an amount of \$31,849.68 per acre or approximately \$2,105,000.

Comments: Dr. Oaks, Superintendent, stated that Avon Schools are requesting \$129.9 million in order to build three new schools. Specifically, they will build a new middle school, a new elementary school, and a satellite facility to Avon High School. They will also be purchasing two pieces of land and building a technology center within the existing Avon Middle School. They have been working on the designs since early 2005. Avon is the second fastest growing school corporation in Indiana, in the heart of the 23rd fastest growing county in the United States.

Mr. Brinkman, Board President, said that two board members were reelected during this process, which he believes shows that the community is satisfied and supports this project. People move to Avon for the schools. They have been reactive in the past in regard to building projects, building after students were already in the school system. They have been using portables since 1994 and the community feels they should reduce their use. The community wants to see long range planning to see what is needed. They did a demographic study and held more than fifty meetings. Twenty to thirty members of the community attended each the meetings. The press also attended these sessions and reported on the activity. They held three public forums for parents and taxpayers. Only one negative comment was expressed, but no alternative solution was offered. There were no negative comments at the 1028 hearing.

The Superintendent said in 2005 the School Corporation asked IU to help with a community perception study. 76% of residents have or will have kids in the school corporation. Nearly 70% of residents evaluate the schools as excellent or good. Approaching 60% of residents would support a tax increase just to sustain the current programs. Class size and appropriate school facilities are the community's number one concerns. The demographic study reported that the school corporation has grown 10,000 students in the past 3.5 years, and will probably grow another 3,200 students by 2012. In creating their long term plan they see the immediate need for a new middle school to be completed by 2009. This need is followed by the need for a new elementary school and an addition to the high school. They expect to come back with a request for a new intermediate school in 2012.

For long term planning purposes part of this project is the purchase of 38 acres of land adjacent to the high school and 65 acres between two of the elementary schools. The parents of younger students are concerned with the use of portable classrooms. They currently own 25 portable classrooms they anticipate another 700 K-4 students by the 2012 school year. The new elementary school will be 113,000 square feet and will use the same blueprint that they have used previously for four other elementary schools. The capacity will be 750 students. The land was a donation, but it is 22 acres of undeveloped land so it will require large utility costs to develop. The current middle school is over 125% capacity, so they have an immediate need for new construction. The new middle school will be 210,000 square feet and have a capacity of 1,000 students. The middle school will be designed to be able to be expanded to a second high school if needed. In the short run the community and board have a commitment to a one high school system. The current high school has a capacity of 1,800 students, but they are working on an expansion that should be opened at capacity in the fall. They are allowing for expansion to a capacity of up to 3,300 students.

The school corporation has been seeing rapid in-migration in all grades through the tenth grade. A community study supported the construction of a twelfth grade center. The center is also supported in the professional community and would allow for an expanded internship program. They anticipate the building will be appropriate for 1,000 students, but they are only asking for 110,000 square feet. In that space there is 40,000 square feet of multi-purpose rooms, hallways, support areas, and large and small group seminar areas. Part of this project will require moving fields at the existing High School site.

The Assistant Superintendent said they recognize the scope of work is significant, but they will be doing four projects over four years. This will accommodate their growth pattern and address every grade except 5-6. They will be able to manage construction of all of the projects by staggering the start dates. With staggering they will be able to staff the buildings through the General Fund. Staggering causes uncertainty with the budgets so they have used an eight percent inflation factor for the middle and high school projects. The total project costs are high due to utility costs in Avon being high, as well as additional costs such as landscaping and sidewalk requirements. They are building environmentally friendly buildings, which are more expensive, but they expect to recover the upfront costs in six to seven years.

This project is expected to cause a \$0.30 increase in debt service. For their current building project they estimated a ten cent increase in debt service, but due to an increase in AV the impact was only one and a half cents. Thus, they may see a significantly smaller increase in debt service than the estimated \$0.30 because they are using very conservative growth figures.

Mr. Mills asked if the Avon sewer system is under control. The Superintendent said that an independent company, West Central, manages the Avon School Corporation sewers. West Central is involved and has been shown the plans for this project. Mr. Mills asked who will be stuck with the costs. The Superintendent said they are working through that.

The Superintendent said that the community supports this project. One of the support documents shows that with trending their debt ratio will be less than it was in the late 1990s.

Mr. Besinger said their total debt is \$301 million and asked what their total debt amount is with interest. Mr. Wilson responded that of the \$256 million outstanding about \$170 million of that is principal. For this project the maximum impact is \$245 million with \$115 million in interest. They used an interest rate of 6%, but today rates are closer to 4.5%, so if rates hold they will have about \$25 million less in interest. The total payment obligation over 25 years is \$489 million. Mr. Besinger asked if taxpayers are worried about a 25% debt ratio. Mr. Wilson said the ratio analysis will exceed 10% approaching 13-14% before trending, but that number will come down. Mr. Besinger asked why they need an auditorium in the new middle school when they already have an auditorium in the existing middle school, and assuming there is one in the high school also. The Superintendent said that the new auditorium is not a fancy design. It will basically be a big box. The community has the desire for the auditorium. They usually have about 1,000 people in attendance for fine arts performances and anticipate that to continue. Mr. Besinger asked how many performances they have per year. The Superintendent said he does not know the specific number, but it is a lot. They have more than one might normally expect. Mr. Besinger asked what is normal. The Superintendent said 15-20. Mr. Besinger asked why the new elementary school is \$57 per square foot above the DLGF baseline and \$74 per square foot for the total project cost above the baseline. The Superintendent said it is due to site and utility development. They distributed a handout and referred to a cost breakdown on page seven. Utilities and inflation contribute to it being over the baselines. Mr. Besinger said that on the middle school they are also over the DLGF baselines by \$29 per square foot and \$29.87 over for the total cost of the project. They again referred to page seven of the handout, pointing out utility and road costs, as well as estimated inflation of 8%. The environmentally friendly design will have a payback of less than seven years. Mr. Besinger said that all new schools will have these problems and site improvements will not lessen the cost of the project. They said they are still dealing with 2006 guidance. The cost of bringing in utilities is what is excessive. Mr. Besinger said that utility costs are roughly \$30 so if they remove that amount they are still \$27 over per square foot. They said they do not anticipate bidding that until fall of 2008. If interest is lower the financing costs will be less. The Superintendent said they have a history of returning that extra money to the taxpayers, as they did with their last project.

Mr. Umbaugh said their capitalized interest is significant and asked what they did to mitigate that expense. The district will begin making lease payments in 2008. It takes about four years for the entire lease payment to come online. They are assuming a 5.8% interest rate, so if interest rates

stay below 5% that will reduce it by \$1.5 to \$2 million as well. They hope the net interest cost will be lower. They have made conservative estimates because they are about a year and a half out from bidding the second bonds. Mr. Umbaugh asked if the construction period is two years. They responded that the construction period is two years for each site.

Mr. Mills asked how they expect to float the bonds. They referred to page ten and eleven of the handout. About \$55 million will be issued as soon as possible in 2007, which will finance the middle school and all of the land. The other portion will be sold approximately a year later.

Mr. Umbaugh asked if they considered using their GO bonding capacity. They said the recommendation given to them was to use lease financing. The district has issued GO for pension bonds. They do have some capacity, but given the size of this project they want to save GO capacity for emergencies.

Mr. Nemeth asked if the \$1.25 million for roads and traffic is for roads on the school property. They said those are Town of Avon requirements for road construction. They are roadways that are contiguous to school property and include things such as accelerate/decelerate lanes, road widening, utility pole moves, infrastructure improvements, sidewalks and curbs. Mr. Nemeth asked if traffic lights cost \$150,000. They said they just bid one for the High School and that is the price it came in at. Mr. Nemeth asked if the town has no money for these items. The Superintendent said the town is less than ten years old so their ability to fund these items is limited. This is typical and part of life in Avon. Mr. Nemeth asked about the "green buildings." The submitted a handout explaining LEED buildings. It is a national program. Mr. Nemeth asked about the savings from using this program. They said it will be less than a seven year payback. Mr. Nemeth asked if this will be reflected in their NFA. They said they still see 18% increases in electricity, so it would not be safe to assume they will have a significant reduction to their NFA. Mr. Nemeth asked if any of this construction has already begun. They responded absolutely not. There is construction on a new elementary school that opened this fall and an addition to the high school. They have also been doing land surveys. Mr. Nemeth asked about the feasibility meetings. They said they did two feasibility studies, but they cannot show that on the Hearing Information Sheet. The feasibility of year-round school hearing study was done with the 1028, but the feasibility study was presented to the Board in the spring of 2003. Mr. Nemeth asked what the Board vote was on the 13th. They said it was unanimous. Mr. Nemeth said he is concerned with the debt and them paying for the roads.

Mr. Mills said that if they do not take care of the roads and do something they will not continue to see the growth they are seeing.

Ms. Hineline asked if the Hearing Information Sheet was signed. Ms. Boldt responded yes. Ms. Hineline asked who maintains the roads. They said in one case they have been asked for right of way, in other cases they have been maintained. It is an ongoing working relationship. It is an emerging public entity. The school houses salt for them because the city does not have the capacity. Ms. Hineline asked where they will stand with portable classroom use once all of this construction is finished. The Superintendent said Cedar Elementary will open in the fall and they expect only a small number of portables to be used at that point. They expect an additional 600-700 new elementary students prior to the opening of the 2010 elementary, so they anticipate

very limited use of portables. Ms. Hineline asked what impact full day kindergarten will have. The Superintendent said they have looked at that internally and they think it will be a good thing for students. In the short run they will ask the board to do a feasibility study to find a solution to the enrollment growth, but in the short run they will use portables.

Mr. Bronnert complimented them on their persistence to graduation rate being one of the highest he has seen, ISTEP scores are above the state average, and the student to teacher ratio is 20:1. Mr. Bronnert said the construction cost per student at capacity is high due to loose equipment and technology being high. Mr. Bronnert asked if they have looked into what they can do to lessen the cost of the school. They said they have had discussions on value engineering decisions and have looked at things like materials used and life cycle of material, operational expenses, mechanical systems, and electrical. They expect these discussions to continue. Mr. Bronnert asked what they have taken out of the original plan. They said they reduced the square footage by 40,000 square feet. The square footage of the high school addition was also reduced. A broad example is looking at the floor finish of terrazzo, which lasts a lifetime, but the upfront cost is increasing. For these projects there will be discussions for alternative floor finishes. The Superintendent said that at the 1028 hearing the total project cost was over \$135 million, but it has been reduced five to six million dollars since those hearings.

Mr. Umbaugh said it would be helpful to see the first ten pages of the Hearing Information Sheet reflect the current market rates. Mr. Umbaugh said that due to the long construction period he thinks it would make a lot of sense to split the project into to pieces.

Motion: Mr. Nemeth made a motion to approve a lease rental agreement with maximum annual payments of \$10,800,000 for 25 years, contingent on the DLGF reducing project by the amount of the public road construction not on school property. Ms. Hineline seconded the motion, which favorably carried 5-1. Mr. Besinger cast the dissenting vote.

Brownsburg Community School Corporation, Hendricks County: Officials request approval of a lease rental agreement with maximum annual payments of \$1,370,000 for a term of 22 years. Total project costs are \$15,333,000. The tax rate impact is \$0.0590 with a new facility rate impact of \$0.0040 expected. The common construction wage scale was passed with the Governor's representative abstaining from the vote. There was no application for a petition and remonstrance process. The addition is just over the DLGF baseline for total project cost per square foot. The remodel cost is \$144.83 per square foot.

Present for the hearing was Kathleen Corbin, Superintendent; Marvin Ward, Business Manager; John Voigt, Director of Facilities and Planning; Karl Sturbaum, Bond Council; Andy McNeilly, CSO – Project Architect; John Rigsby, CSO – Project Manager and Damian Maggos, City Securities.

Project: The 2006 Brownsburg High School Classroom is expected to be the final major addition to Brownsburg High School, bringing the total design capacity of the building to 2,400 students. The addition includes the renovation and reconstruction of 39,116 square feet of existing building and the addition of 27,507 square feet of new space. The work will result in the construction of three new teaching stations (Band Room, Midi Lab, Stagecraft) and the release of

four existing classrooms for general instructional use (Drama, Show Choir, Large Group Instruction [2 spaces]). Additional work on the west side of the building will provide additional freezer space for the Food Services area, a new student entrance from the west bus staging area, and a centralized receiving area for the building. Site development will include reconfiguration of the front drive and parking area to accommodate additional visitor parking spaces as well as the new additions. The construction schedule currently begins construction in August of 2007. The work is expected to be completed in phases, with all work completed in the summer of 2009.

Comments: The Superintendent said that this project is many years in the making. They went through remonstrance and were successful two years ago. The addition and renovation were recommended by the long range task force. The addition is needed no later than the fall of 2009 to increase capacity to 2,400 and keep classes at 18-26 students. The community does not support portables or year-round school. Their goal is to build with acceptable quality while being cognitive of the Governor's guidelines and keep on schedule. The community was involved in the process and the meetings were televised and published on the school's website. After remonstrance the scope of the project was reduced to reduce costs. The major change from the remonstrated project involves a focus on classroom additions. There will be no new auditorium or football expansion. Auxiliary projects have been done out of CPF. In the project are additions to dock space, food service, a new front entry and modification of front parking areas. This project is just over \$15 million, versus the \$21 million defeated project. There was no hint of remonstrance with this project. The need is well known and accepted by the community. They are asking for approval to bring their capacity to 2,400 and renovate the existing space. This project involves 39,116 square feet of renovation and 27,507 square feet of new construction. The project will have \$12,347,000 in construction costs, a total project cost of \$15 million and a term of 22 years.

Mr. Besinger asked how much total debt they have including interest, past and future. Mr. Maggos said it is roughly \$300,700,000.

Mr. Mills asked about the I-74 Interchange opening this year. They said that is a typo.

Mr. Umbaugh asked if they will have interest during construction. Mr. Maggos replied that he netted it out. Mr. Umbaugh asked if they considered using a GO Bond for a portion of the financing. Mr. Maggos responded that they have a little over \$3 million bonding capacity that they will save for emergencies.

Mr. Bronnert asked if they have a rainy day fund. They said no.

Ms. Hineline asked if they had submitted their common construction wage information. Ms. Boldt responded yes.

Mr. Nemeth asked if they will have a construction manager. They said they selected one last week. Mr. Nemeth stated that the construction manager amount on the hearing information sheet seems low. They said that they have not set the amount with the construction manager yet.

Mr. Bronnert commented that their persistence to graduation rate is 84%, which is okay. He also said their ISTEP scores are above average, the expenses per pupil is in a good range, they have a 19:1 teacher to student ratio. The costs are in line so he feels their reduction in scope was appropriate.

Mr. Besinger asked how many academic rooms for core subjects are being added. The Superintendent said six, but they are not traditional 24 students rooms. They are band and orchestra rooms so they can hold considerably more students. They anticipate their current capacity of 2,000 to increase to 2,400.

Mr. Bronnert asked why the total project cost on page ten of the hearing information sheet does not match the amount on page one. Mr. Maggos responded that the difference of \$333,000 is interest earnings. Mr. Bronnert asked what will be the future use of Lincoln Elementary School. The Superintendent said that building was built in 1952. It was originally Brownsburg High School and is currently a community center. They plan in 2009-2010 to turn it into central offices and will put kindergarten and preschool in the current offices. Mr. Bronnert asked why the space is sufficient for offices but not classrooms. The Superintendent said the space is very old and would be difficult to make into more than a two section elementary school.

Mr. Besinger asked what the capacity of Lincoln Elementary School was. The Superintendent said it is about 500. Mr. Besinger asked if they have enough support staff to fill that entire area. The building will be used for all support services, technology, a warehouse, and the parks department will continue to use the gym. Mr. Besinger asked if the parks department pays the facility cost. They responded yes.

Motion: Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$1,370,000 for 22 years. Mr. Nemeth seconded the motion, which favorably carried 6-0.

MSD Wayne Township, Marion County: Officials request approval of a lease rental agreement with maximum annual payments of \$1,875,000 for a term of 25 years. Total project costs are \$37,100,000 with \$14,100,000 from the Capital Projects fund. The tax rate impact is \$0.0577 with a new facility rate impact of \$0.0330 expected. The common construction wage scale was passed with the Governor's representative abstaining from the vote. There was no application for a petition and remonstrance process. The total project cost per square foot of the addition is 53.88% below the DLGF baseline.

Present for the hearing was Terry Thompson, Superintendent; Jane Herndon and Kristin McClellan, Ice Miller; Bart York, Skillman; John Maples, Director of Operations; Dennis Tackitt, Chief Financial Officer; Tom Longdoc, Director of School & Community Services; Jeff Butts, Assistant Superintendent; Mary Ann Dewan, Assistant Superintendent; Mary Ellen Wolf and Anna Marie Burrell, Architect; Nate Day, Educational Services; Rod Wilson, City Securities.

Project: Ben Davis University High School: The New Early High School Program is currently designed to be housed in the original three story building. The existing building is currently

three stories with an additional fourth intermediate level in the center of the classroom loop where the existing gymnasiums are located. Current design plans look at developing this internal space into the Media Center/Student Center/Computer Lab area. In order to improve the access to this center portion of the building a new ADA Lift and vertical circulation corridor will need to be structurally cut into the existing core of the building. This will allow for the appropriate relief space in the corridors surrounding the core of the building but also the appropriate number of exits from this space and handicapped accessibility. The plan for this area also includes a new entry commons/ramp/stair system and administrative area that allows for a secure and handicapped accessible public/student entry from the outside grade into the lower level of the existing building. The existing building is depressed approximately 4 ½ feet below the outside grade and currently has NO secured or handicapped accessible entry point. The plan also calls for a new first, second, and third floor restrooms which are required by code for occupancy levels and travel distance.

Early Childhood Construction: The Early Childhood program is currently designed to be constructed in the North East Portion of the building. The Early Childhood classrooms will be approximately 1200 each. Within the 1200 square feet each will have an individual student restroom and storage space. The large spaces such as the old media center/locker area/ and music area lend themselves to being the perfect spaces for reconfiguration into these early childhood classrooms. In doing so there will be significant utility renovation for the addition of restrooms and running water into the new spaces. The corridors walls will be able to remain in their current locations, the lockers will be removed in this area and new wall, ceiling and floor materials will be provided. Classrooms will receive new floor, wall and ceiling materials and new Pre-School Casework will be provided. Any existing casework that can be re-used will be re-worked into the overall plan.

Wayne Enrichment Center Construction: The Wayne Enrichment Center program is currently designed to be constructed in the Western Portion of the building. The WEC Classrooms will be approximately 900 square feet each and the classrooms designated for the WEC Junior High students will be separated in the plan from the classrooms designated for the WEC High School students. The classrooms will be physically separated by new administrative offices and the shared Science Lab. One half of the WEC classrooms will be in the existing building construction, the other half will be in new construction. This area contains Rapidex, so structural bracing and strengthening will be required in areas where walls are removed and the new mechanical system is put in place. All new classrooms will receive new casework appropriate for the WEC program and any casework capable of being re-used will be reworking into the existing building.

Overall Building Exterior Renovation: Work on the exterior shell will be the following: exterior window replacement, roof replacement, tuck pointing and masonry repair, new entry/canopy/signage, renovation of parking and bus/visitor drop-off.

Comments: They distributed a packet with additional information. The Superintendent said that this project pays special attention to programming. They are changing to address a changing community. They are becoming a more urban district. They are the fifth largest non-English speaking district, with Spanish being the next most frequently spoken language, followed by

Urdu and Chinese. Their students speak a total of 53 different languages. Eleven years ago they had less than 20% free and reduced lunch, now they are at almost 70%. They now participate in the Universal Breakfast program, which provides a free breakfast for every student every morning. Special education preschool has over 250 students. These classes have a maximum of ten students per teacher. Their graduation rate of 65.8% is not what they want, but that number does not include GED students, more than 2,000 special education students, and those students who take more than four years but do eventually graduate. ISTEP scores are below the state average but they are improving. This project plans to help address some of these academic issues.

The plan is to reuse the old Ben Davis High School, built in 1937, to create an early college high school serving 400 students. The building will also house an expanded alternative school for 350 students and a consolidated preschool to serve 400 students, which will free up space for full day kindergarten. The handout shows the site plan for the building. The left side of the building will house WEC, the alternative school. The old three story Ben Davis High School will house the Ben Davis University High School. The back part of the building will become the preschool. There is minimal square footage being added. The track on the site is existing and is not part of this project. The junior high and high school students will be separated, but will share science labs and a cafeteria.

The Ben Davis University High School will be for first generation college students. It is for “C” students who otherwise would not have the opportunity to attend college. They will earn college credit while earning their high school diploma. They will have the opportunity to take some college classes at Vincennes University over the summer. The cost will be \$25 per semester hour. Back in the 1950-1970 the space was three separate buildings, but over time the buildings have been connected. The Ben Davis High School is a unique opportunity for 400 students. Students who are not selected for the High School will also have the opportunity to earn dual credits through Vincennes University. This program is very similar to what they are doing in Decatur, but this is not a charter. It is a community developed program. They have qualified for Bill and Melinda Gates Foundation money and expect to receive \$400,000 from the Foundation. There will be a ninth grade feeder system so in total the program will serve about 550 students. All of the students in the program will earn a minimum of a Core-40 diploma.

The area is highly industrial, so they will offer a distribution and logistics degree program. They will also have a fire, safety, science and technology program with the Wayne Township Fire Department, an emergency management program with the Indianapolis Airport, and a nursing and health careers program with Wishard and Methodist Hospitals. The goal is to graduate over one hundred students per year. It will be a rigorous academic program. The students will not participate in any IHSAA sports or ISMA. They will have more college oriented clubs. The students and their families will sign a contract. Page five of the handout shows a letter that was mailed to all members of the community. Page six through eight shows a timeline of the planning process.

The alternative school will be smaller and more personalized to help students who are in danger of dropping out. The school will also host adult basic education which is funded by a Federal Grant. Moving the alternative school to this new location will open up space at the Wayne

Enrichment Center so they can offer adult basic education during the day. The new space will share the cafeteria and media center. Moving preschool to this new location will free up space to offer full day kindergarten. Speech and hearing therapy will be consolidated to eliminate instructor travel time. The Ben Davis University High School will open this summer, if approved, while the remainder of the space is being renovated. The community has been involved and is excited. The School Board has been supportive and all votes have been unanimous.

Mr. Besinger stated he thinks it is great they are putting an emphasis on academics. The Superintendent said that teachers have expressed the importance of background knowledge, so they are very focused on getting to students early and providing them the background knowledge they may not otherwise receive. Mr. Besinger asked if the \$14 million from CPF is on hand. They responded yes. Mr. Besinger said their debt is \$308 million and asked what that amount would be with interest. They said that amount is principal and they probably have an additional \$200 million in interest.

Mr. Umbaugh asked what is included in the "Other" amount on page ten of the Hearing Information Sheet. They said it is bond insurance, asbestos removal and permits.

Ms. Hinline asked what percentage of the teachers in this program will be from Vincennes. The Superintendent said approximately half will be from Vincennes. Ms. Hinline asked if they will be full time in the facility. They said yes, some of them will be. Ms. Hinline asked if any of the programs are distance or virtual learning. They said no, initially they will not be. They are dealing with students with low motivation. Ms. Hinline asked if any of the programs will not be available in Ben Davis High School. The Superintendent said yes. Eventually the programs will be offered in a nontraditional day, so students will be able to come over. Ivy Tech and other colleges currently offer evening classes at Ben Davis High School. Ms. Hinline asked who will be paying the \$25 per semester hour fee. The Superintendent said state law requires the School Corporation to pay the fee. Ms. Hinline asked what demographic of student they expect to serve. The Superintendent said the Bill and Melinda Gates Foundation money is for under-represented students. It is focused to "C" students who have the academic ability. Ms. Hinline asked why they decided not to charter this. The Superintendent said they thought they could offer it more economically. The Board wants it to become a community school. Ms. Hinline stated that they are over their 2% GO Bonding capacity and asked what trending will do to them. They said they are over due to pension bonds.

Mr. Bronnert stated that their all expenses per pupil is higher than most. They said their health insurance has increased an average of 30% per year for the past three years, and their salary schedule is higher than other school corporations'.

Motion: Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$1,875,000 for 25 years. Ms. Hinline seconded the motion, which favorably carried 6-0.

Marion Community Schools, Grant County: Officials request approval of a lease rental agreement with maximum annual payments of \$396,000 for a term of 12 years. Total project

costs are \$2,000,000. The tax rate impact is \$0.0294 with no new facility rate impact expected. The common construction wage information was in order. The issue fell below the threshold for a petition and remonstrance process. The total project cost per square foot for this remodel is \$20.69.

Present for the hearing was Andy Nixon, Superintendent; Jason Wardwell, Director of Support Services; Michael O. Conner, Attorney for MCS; Jane Herndon, Ice Miller and Colette Irwin-Knott and Ryan Usher, Umbaugh.

Project: This project consists of replacing portions of the Marion High School roof. Marion Community Schools has been constantly monitoring the condition of the roofs of all buildings in the corporation. The Marion High School roof has been divided into 43 sections. Of the 43 sections, 19 are in need of replacement. Many of the sections needing replacement date back to 1972.

Comments: The Superintendent said this project and situation are a little different because the School Corporation has declining enrollment and therefore declining AV and revenue. The range of school facilities' condition goes from good to fair at best. The facilities have not been maintained in the past so they are now trying to play catch up. Forty two sections of roof in Marion Community Schools need replaced. With this project they are asking to replace nineteen of those sections at Marion High School, some of which are more than thirty-five years old. The community and school administrators are sensitive to the tax impact. They have reduced twenty-seven administrator positions since 2002 to reduce costs. In the last three years they have closed three schools and sold three buildings. They have also combined and consolidated school buildings. They believe it makes sense to properly maintain buildings. Since June of 2003 they have discussed facility needs forty-four times with the community. The consensus is that this project is necessary and makes sense. The School Board unanimously supports this project.

Mr. Mills stated they have a low student to teacher ratio and their General Fund tax rate is about 40% higher than other schools. The Superintendent said about 20% of their students have disabilities, which require smaller class sizes. About 60% of students are on free or reduced lunch. Ms. Irwin-Knott said the Marion area is highly dependent on manufacturing so they have seen a shrinking AV, especially with the inventory deduction, and they do not expect to see increases even with trending.

Ms. Hineline asked if they will have any structural problems beyond the roof that will need to be repaired. The Director of Support Services said they are not anticipating any major construction. Ms. Hineline asked that with their high free and reduced lunch program will they be able to offer that with full day kindergarten. The Superintendent said they are currently in their third year of full day kindergarten.

Mr. Bronnert asked what their GO bonding capacity is. Ms. Irwin-Knott said they are over capacity due to other debt obligations.

Mr. Mills asked what their current enrollment is. The Superintendent said they had 13,000 students at one point, but they are under 5,000 students right now.

Mr. Nemeth asked how they arrived at a project cost of two million dollars even. The Superintendent said the Board was sensitive to the tax rate impact. Secondly, they are concerned with how many roof sections can be completed over the summer during a ten week period so as not to disrupt students. They are trying to get to the point where they have a replacement schedule so replacements can be done out of CPF. Lastly, they did have discussions about avoiding the remonstrance process. Mr. Nemeth asked if there is a service center involved in this project. The Superintendent said they do their own bidding.

Mr. Bronnert commented that the financial advisor fees as a percentage of total project costs is one of the highest we have seen. Ms. Irwin-Knott said she realizes the fees are higher on percentage basis, but they would be the same for a higher cost project.

Ms. Hineline asked who will oversee the project. An architect will work together with a certified architect from the school corporation.

Mr. Bronnert asked what they are doing to increase graduation rates. Indiana Wesleyan and Taylor Universities are in their county so students are able to take classes at those campuses, as well as at Ivy Tech which is also located in the county. Students have the opportunity to earn dual credit for some classes through a partnership with IU. They are very much a community in transition trying to move away from the manufacturing base.

Motion: Ms. Hineline made a motion to approve a lease rental agreement with maximum annual payments of \$396,000 for 12 years. Mr. Umbaugh seconded the motion, which favorable carried 6-0.

Mississinewa Community School Corporation, Grant County: Officials request approval of a lease rental agreement with maximum annual payments of \$264,000 for a term of 12 years. Total project costs are \$2,000,000. The tax rate impact is \$0.0969 with no new facility appeal expected. The common construction wage scale was passed with the Governor's representative abstaining from the vote. The issue fell below the threshold for a petition and remonstrance process. The total project cost per square foot for this remodel is \$186.43.

Present for the hearing was Mike Powell, Superintendent; Jill Morphew, Director of Business; Tom Neff and Cindy McLoed, Architect/Schmidt Associates; Jane Herndon, Ice Miller, Colette Irwin-Knott and Ryan Usher, Umbaugh and Marty Harker, Kiley Harker & Certain.

Project: This project involves the remodel of the existing science facilities at Mississinewa High School.

Comments: The Superintendent said they are located in a growing community. A new Wal-Mart distribution center will open in April and employ 1,000 people, so they are expecting to see some additional growth from that. The major portion of this project is for restoration to the science labs at Mississinewa High School. The school was built in 1977 and there have been no improvements to the science labs since then. They currently have 670 students, 577 of which are enrolled in science classes. They employ five full time science teachers, but have only four

science classrooms. The proposed project will give each teacher their own room and increase the size of those rooms. ISTEP science scores need to improve and they feel this project will help with that goal.

A second area this project will address is the safety and security of students. They will add a vestibule that is visible to administrators. If any funds are remaining they would like to improve the light poles on their football field. The wooden poles are thirty years old and have been subjected to weather. The sports facilities are used by all students as well as by the community. If any funds are still remaining they would like to resurface their tennis courts.

Mr. Mills stated that it looks like they have a low AV per student. Mr. Usher responded that they are fifth.

Mr. Umbaugh asked if the tax impact will be offset with CPF. Ms. Morphew said there is a plan in CPF and they can make cuts if needed. Some capital project needs are paid through the General Fund which leaves room in their CPF. Ms. Herndon said that at the 1028 hearing the public was given the tax impact if CPF was not used and then shown what the tax impact will actually be with CPF.

Mr. Nemeth asked why the project is exactly two million dollars. The Superintendent said that they looked at what they needed to do at the High School and they came up with two million dollars which is exactly what they think they will need to get everything accomplished. Mr. Nemeth asked who three people are. The Superintendent said Larry Leach is the Mayor of Gas City, Jim Nicholson is a realtor, and Jim Richards is the Gas City Utilities Director. Mr. Nemeth asked if they looked at other funding sources such as public works. Ms. Morphew said they applied for a common school loan.

Ms. Hineline asked why they do not have a five year plan. The Superintendent said they just addressed that with their board. They are in the process of setting up a feasibility study to look at their buildings.

Mr. Besinger asked what impact \$1.7 million in severance pay has had on other projects in their corporation. Ms. Morphew said it has not had an effect because they have been able to fund projects out of CPF. Mr. Besinger asked what fund they are using to repay the \$1.7 million. Ms. Morphew said they are paying out of Debt Service.

Mr. Mills asked where they are getting their growth from. The Superintendent said the growth is relative, only about 60-70 students per year. Mr. Mills asked if their AV is going to grow with the Wal-Mart. The Superintendent said they hope so, but they may not realize it for a few years.

Mr. Bronnert said the student to teacher ratio is good, but again the financial advisor fees are high. Mr. Bronnert said they have a lot of work to do with ISTEP scores and asked how they plan to address that. The Superintendent said they have a very dedicated staff. He thinks they will see some improvements in their scores, but it will take a lot of work due to the blue collar demographic of their community.

Motion: Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$264,000 for 12 years. Mr. Nemeth seconded the motion, which favorable carried 6-0.

East Noble School Corporation, Noble County: Officials request approval of a lease rental agreement with maximum annual payments of \$1,811,000 for a term of 12 years and approval of a general obligation bond issue in the amount of \$900,000. The term of the bond is two years. Total project costs are \$13,777,770 with \$7,000,000 from the Capital Projects fund. The tax rate impact is \$0.1512 with a new facility rate impact of \$0.0096 expected. The common construction wage scale was passed with the Governor's representative abstaining from the vote. There was no application for a petition and remonstrance process. The total project cost per square foot is 4.34% above the DLGF baseline.

Present for the hearing was Steve Sprunger, Superintendent; Craig Ream, Business Manager; Jane Herndon, Ice Miller; Karl Vilamaa, Architect; Curt Pletcher, Umbaugh; Larry Sheetz, Construction Manager.

Project: The proposed project scope involves the construction of a new 74,538 square foot elementary school building to replace the existing Wayne Center Elementary School, which was built in 1922. There have been two renovations and additions to the original structure in 1957 and 1971.

The new building will be a single-story structure with an adequate number of classrooms and support spaces properly sized to meet all of the current and future program requirements. The current building does not meet all instructional program needs, including special education classrooms, small group instruction space, and music and art rooms. In addition, the new building will provide space for full-day kindergarten when implemented. The corporation already owns the land for the proposed building site, which also addresses safety concerns by allowing better segregation of bus, car, delivery, and pedestrian traffic.

Comments: The Superintendent said the thought process about replacing Wayne Center Elementary actually began about eight years ago as it was evident the facility was showing signs of functionality and structural problems. A feasibility study was completed in 2000 by Barton, Coe, Villimaa which indicated the cost to value for a renovation and addition would far exceed the cost to value of a new facility. In the fall of 2003, after a bitter remonstrance the school board chose to continue with the smaller neighborhood school concept as opposed to building one larger school combining both North Side and Wayne Center. While the school district preferred and demonstrated that building one school building would be more cost effective to build and operate than two schools, the community spoke through the remonstrance process and through the school board election that it wanted two schools, not one. It was decided at that time North Side Elementary would be addressed first; and the new North Side Elementary school opened this fall. The board also made a commitment in 2003 that when North Side was completed, it would then address building a new Wayne Center Elementary and this past spring purchased land so that commitment could be realized.

Some structural issues they face today are that the boilers are at a state that the band-aid fixes are only temporary at best, and to replace would be a major expenditure with estimates that approach \$700,000 in total HVAC costs. The windows have major issues with heat loss and a lack of functionality. Several years ago it became evident the brick façade was actually falling away from the building and tie rods with diamond shape plates have been installed to hold them in place until a new building could be addressed. Until the tie rods were installed, all individuals were told not to walk or park near the building for fear of falling brick. For several years the roof has been patched and repatched, but time is quickly running out and much further deterioration will force them to spend several hundred thousand dollars for a roof replacement. One of the largest concerns is the huge asbestos liability that today has the basement of the school sealed in plastic with a public notice on the door which is located in a major hallway not to enter due to asbestos.

These issues coupled with the fact the principals office also serves as the copy room and conference room, the music room is the art room... and yes it is also the cafeteria... and yes it is also the cafeteria managers office, storage closets have been turned into a speech room and Reading Recovery Room, and the former entry way is now enclosed so another classroom could be built and students and parents now enter the school through a side door are just but several examples of many on how the current school facilities are not functionally sound any longer in 2007. A converted 400 square foot stage is the current media center. Very little ventilation, little room to copy material, minimal technology, and poor lighting are just a few of the challenges facing students utilizing the media center space.

The school has served the community well over the years, but the time has come to replace the tired, extremely small, and antiquated school with a new facility. Past administrations and school boards knew they could make the school work until East Noble School Corporation had addressed the other major facility issues such as a huge renovation of Avilla, the building of a new South Side Elementary, and a new North Side Elementary, not to mention the multiple renovations of East Noble High School. However, few schools can be found in the state of Indiana in need of more academic or structural updating than Wayne Center Elementary. At this point the school board is in the final planning processes for the new school which is projected to open in the fall of 2009. They have planned accordingly and have saved over \$7 million for this school, which means this school is already over halfway paid for. The board is also committed to keeping the lease relatively short, going out only ten years which has been met with tremendous community support.

Mr. Pletcher said the goals are to minimize tax impact, total interest cost, and term of repayment. They are taking a dual financing approach by issuing \$900,000 in GO Bonds with a term of two years and a lease with a maximum term of twelve years, but the lease will actually have a ten year payback. Altogether they are looking at eleven years that will require a debt service levy. The lease principal \$5,745,000 combined with the \$7 million in CPF rounds out the funding. This approach offsets the estimated costs associated with capitalized interest. Tab eleven shows four different financing options. The proposed project will have a 5.1 cent impact on the debt service tax rate.

Mr. Umbaugh asked if a higher interest rate lowered the total project cost. Mr. Pletcher said less bonds were issued. Looking at the three financing goals they believe they chose the best option to minimize the tax impact. Mr. Umbaugh asked if they are able to begin debt service payments one year earlier due to issuing GO bonds. Mr. Pletcher responded yes. Tab eleven shows this.

Mr. Mills stated that they are building a slightly large school and asked if enrollment is growing. The Superintendent said enrollment has been pretty consistent over the past eight to ten years. There are two new housing additions going into the area. They anticipate that they will need more space for full day kindergarten and special education preschool. They expect the building will be approaching capacity within ten years.

Mr. Bronnert asked what will happen to the existing school. The Superintendent said the decision has not yet been made, but he anticipates that it will be demolished. The structure is in really poor condition and it has a huge asbestos liability. Mr. Bronnert asked about the former North Side Elementary. The Superintendent said it was torn down to make room for a playground. Mr. Bronnert said the construction cost per square foot is \$12 over the DLGF baseline, construction cost per student at enrollment is \$11,000 over, construction cost per student at capacity is \$11,000 over, and the total square feet per student at capacity is high. Mr. Bronnert asked them to explain why this school is so large and expensive. The Superintendent said the former Superintendent and school board worked through the remonstrance process and by almost a four to one vote the community said they wanted two small neighborhood elementary schools. They have to build a gym for essentially 350 students, as well as a cafeteria and administrative offices. The people who wanted to build a more efficient school were thrown out. Ms. Herndon said the sister elementary school was approved by the board a few years ago and it had very similar numbers because they are twin designs. The Superintendent said the cost includes site development because it is a county school so they will have to bring in utilities. Mr. Bronnert suggested they submit these costs to the DLGF. Mr. Bronnert asked if they have looked at the other school to see where they could save money. The Superintendent said they have met with the teachers and Principal from North Side Elementary and have changed some cabinetry items. No major changes have been made. They may look at using a different exterior. It will have a different parking and playground configuration.

Mr. Umbaugh stated he likes the GO and lease combination to reduce the cost and lower the tax rate.

Motion: Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$1,811,000 for 12 years and a general obligation bond issue in the amount of \$900,000. Ms. Hineline seconded the motion, which favorably carried 5-1. Mr. Bronnert cast the dissenting vote.

West Noble School Corporation, Noble County: Officials request approval of a lease rental agreement with maximum annual payments of \$1,605,000 for a term of 18 years. Total project costs are \$14,160,000. The tax rate impact is \$0.3359 with a new facility rate impact of \$0.0336 expected. The common construction wage scale was passed by a vote of 3-1-1, with the Governor's representative abstaining from the vote and Mike Avila, the Indiana AFL-CIO representative casting the dissenting vote. There was no application for a petition and

remonstrance process. The addition projects are all under the total project cost per square foot DLGF baselines.

Present for the hearing was Dave Speakman, Superintendent; Gregory Cox, Board President; Robert Allen, Patron; Dennis VanDuyne, Assistant Superintendent; Jack Birch, School Attorney; Karl Vilamaa, Architect; Curt Pletcher, Umbaugh; Thomas Peterson, Ice Miller.

Project: The proposed project consists of building additions and various renovations of existing space in three buildings located on the West Noble School Corporation campus. The three buildings are West Noble High School, West Noble Middle School (grades 5-8) and West Noble Elementary School.

The West Noble High School project consists of four additions. The east addition includes six classrooms, family and consumer science lab, art and space for the corporation-wide technology department. An addition including two classrooms and a science lab is proposed in the existing courtyard. Expansion of the kitchen area is proposed to include storage, cooler/freezer, receiving and food preparation. The fourth addition includes an auxiliary gym with two locker facilities, storage and a deck-level multi-purpose area. Renovations are proposed for the entire existing kitchen area, the existing family and consumer science area, the existing art area, as well as one classroom which becomes part of the new science lab. Additional parking needs to be developed for the area of parking displaced by the classroom addition. The existing drive on the west side requires some reconfiguration due to the auxiliary gym addition.

The West Noble Middle School project consists of two additions with ten classrooms, restrooms and storage. Renovations are proposed for two science lab reconfigurations.

The West Noble Elementary School project consists of one addition with six classrooms, restrooms, storage and an extended learning area. Renovations are proposed for the media center, office area, main entrance, extended learning area, head start, staff workroom and custodial storage.

Comments: The Superintendent distributed additional information. The first page shows actual and projected enrollment. They have seen continual steady growth. A demography study showed that enrollment is in the pipeline and should remain stable. They have seen significant increases in the percentage of minority students in the corporation and expect to see that continue if not increase more rapidly. 57% of students participate in the free or reduced lunch program. ISTEP scores in language arts have declined, but they are working on that. As the number of limited English students have increased those scores have declined. Their graduation rate is increasing and 66% of students are pursuing some type of college after graduation. They did not want to increase the current debt service tax rate. They will see an increase in utility costs so the public was made aware of the need for a NFA in the amount of \$152,000 per year. The proposed debt service will be front loaded for the first five years to keep tax rates steady.

Mr. Mills asked them to explain what they are proposing to do. The Superintendent said they are proposing to add six classrooms to West Noble Elementary mainly for full day kindergarten and will also be moving preschool to that building. They will add ten classrooms to the middle

school and add eleven classrooms and an auxiliary gym to the high school. They thought about building a new 5-6 building but that would have been too expensive so they prefer to do an addition.

Mr. Besinger asked if the auxiliary gym at the high school will be for athletics or physical education. The Superintendent said it will be for physical education, although athletics will use it also. It only has 300 seats so it is not a spectator gym. Mr. Besinger asked how many PE teachers they have at the high school. The Superintendent said they have four who teach both PE and health. Mr. Besinger asked how many PE classes they have. The Superintendent said he thinks there are about twenty different sections.

Mr. Mills asked what is causing the increase in the Hispanic population. The Superintendent said they are finding employers who want to hire them because they work well. Mr. Mills asked if they are employed in all industries. They responded yes. They had one of the first ELN departments in northern Indiana.

Mr. Umbaugh asked why they do not have capitalized interest. Mr. Pletcher referred to the last page of the handout and explained that if the bonds are issued in 2007 they will be able to begin interim lease payments in 2008. Mr. Umbaugh asked if the term is fifteen years. Mr. Pletcher said the term is fifteen and a half, or fifteen budget years.

Mr. Bronnert said he thinks what they are doing is in line with what they need to do. He said the construction cost per square foot is higher than similar schools. Mr. Bronnert asked what they have done to reduce costs. The Superintendent said he thinks their cost per square foot is one of the lowest in northern Indiana. They are not doing anything elaborate. Mr. Bronnert said with their demographic getting 70% of students to graduate is probably a difficult job. The Superintendent said they have a college club for Hispanic students. The community is adapting.

Motion: Ms. Hineline made a motion to approve a lease rental agreement with maximum annual payments of \$1,605,000 for 18 years. Mr. Umbaugh seconded the motion, which favorable carried 6-0.

Concord Community Schools, Elkhart County: Officials request approval of a lease rental agreement with maximum annual payments of \$5,843,000 for a term of 22 years and a general obligation bond issue in the amount of \$1,650,000. The term of the bond is one year. Total project costs are \$64,672,460. The tax rate impact is \$0.2826 with a new facility rate impact of \$0.0950 expected. The common construction wage scale was passed with the Governor's representative abstaining from the vote. There was no application for a petition and remonstrance process. The total project costs per square foot are under the DLGF baselines.

Present for the hearing was George Dyer, Superintendent; Larry Jackowiak, Assistant Superintendent; Randy Myers and Candace Yoder, Board Members; Randy Hesser and Dean Leazgnby, School Attorneys; Karl Vilamaa and Brian Bohlender, Architects; Curt Pletcher, Financial Advisor and Thomas Peterson, Bond Council.

Project: The renovation of East Side Elementary will consist of a renovated area of 3,500 square feet. The renovation to East Side Elementary School include: roofing replacement, restroom expansion, carpet replacement, improvement of humidity control and front sidewalk improvements. Cost \$806,924.

The renovation of West Side Elementary will consist of a renovated area of 4,500 square feet. The renovations to West Side Elementary School include: kitchen renovations, replacement of lighting in older classrooms and hallways, replacement of library heating and cooling unit, new storage cabinets in classrooms, additional parking and a new school zone traffic light. Cost \$1,037,474.

The renovation area of South Side Elementary will be an area of 8,500 square feet and will include: roofing replacement, restroom expansion, exterior door replacement, boiler replacement, carpet and floor tile replacement, office renovation, new storage cabinets in hallways and playground hard surface expansion. Cost \$1,729,124.

The renovations to Ox Bow Elementary will cover an area of 5,500 square feet and will include: office renovations, carpet replacement, new storage cabinets in older areas, electrical outlets in older classrooms, widening of front sidewalks, parking expansion, electrical power upgrades, heating and cooling upgrades and ball diamond relocation. Cost \$1,152,749.

The construction to the 5-6 Building will consist of adding new area of 26,030 square feet and renovating an area of 95,000 square feet. The additions and renovations at this building will convert it from a junior high school to a fifth through sixth grade school. The additions include: new classroom areas, a new media center and additional office space. The renovations include: the conversion of FACS and industrial technology areas into special needs classrooms, the conversion of the existing media center into classrooms, the conversion of existing science labs into computer labs, the replacement of floor, wall, and ceiling finishes, boiler and chiller upgrades, fire alarm upgrades, temperature control upgrades, electrical and technology upgrades, replacement of roofing and associated site work. Costs are \$4,610,996 and \$6,340,012.

The 7-8 Building construction will be a new building of 280,000 square feet. This building is being constructed to house the seventh and eighth grade population from throughout the Concord Community Schools district. Designed to house 1,000 students, the building will provide general academic classrooms, special needs classrooms, art and music instruction areas, FACS and industrial technology instruction areas, a media center a support areas, computer labs, kitchen and cafeteria areas, physical education and wellness facilities, and all necessary administration and support spaces. Cost \$42,228,090.

Comments: The Superintendent said they are asking for approval of a dual lease and GO bond issue for a project of just more than \$63 million. Specifics of the project can be found on tab five. The project contains three major components. First, they will build a new 7-8 grade junior high school on fifty acres of land currently owned by the school corporation. The building will be 280,000 square feet and have a capacity of 1,000 students. The estimated cost is \$43 million. Second, they will convert the existing 7-8 grade building to a 5-6 intermediate school for approximately 950 students. This will require renovation to 95,000 square feet and an addition

of 26,000 square feet. The addition will include classrooms, a new media center, and office space. The cost estimate is just under eleven million dollars. Third, they will convert four pre-k through sixth grade buildings to pre-k through fourth grade buildings. This will provide space for full day kindergarten and will cost approximately \$4.7 million.

Their current elementary schools are large. The community would like to reduce the size of these buildings. Tab eight of the packet shows demographic information. As a short term solution they have added ten modular classrooms and converted a computer lab to a regular classroom. They anticipate the purchase of additional modulares this summer. All taxpayers were mailed invitations to community meetings. Statements from three school board members are behind tab thirteen. One member resigned, but the new member also supports the project. Ms. Yoder, school board member, spoke about the project. She attended the community meetings and felt that the school really wanted the community's input.

Mr. Besinger stated that they have two gyms and an auditorium at each of the 5-6 and 7-8 buildings. Mr. Besinger asked if they considered building a new elementary school so they would not have to build an additional gym. The Superintendent said they did consider building a fifth elementary school, but it was not desirable because of redistricting. There is a cafetorium in the current junior high school.

Mr. Mills asked what their debt is a result of since they have not done any building in thirty-five years. The Superintendent said it is from frequent additions and renovations to the six school facilities. They have done projects, but have not built a new facility in thirty-five years. They considered doing additions and renovations again this time, but they are getting concerned with the size of their existing elementary schools. Mr. Mills asked what four tiered school systems do to transportation. The Superintendent said currently they double route. Secondary students are picked up first and then elementary is picked up. They do not think transportation will be a huge issue, but they have a task force working on it. Geographically they are less than half of a township. They do not think they will have to move away from double routing.

Mr. Bronnert asked if they put seventh and eighth graders with high school students for pickup. They responded yes, they currently do that.

Mr. Nemeth asked why they are allowing the architect to oversee his own project. They said it has been their practice in the past. A board member is an architect so he will also help to oversee the project. Mr. Nemeth asked if they are working through a service center for the roof replacements. They responded that there is the potential that they will use a service center. They have not used a service center in the past.

Mr. Bronnert said it looks like their costs are pretty good. They are building 280 square feet per students, but similar schools have been built smaller. He asked them to explain why they are building such a large school. The Architect said Concord has an extensive fine arts program. Enrollment is projected to grow 900 students in the next ten years. The thought is to design the junior high so they can add more classrooms in the future. The last new building was built in 1973.

Motion: Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$5,843,000 for 22 years and a general obligation bond issue in the amount of \$1,650,000. Mr. Nemeth seconded the motion, which favorable carried 5-1. Mr. Besinger cast the dissenting vote.

South Madison Community School Corporation, Madison County: Officials request approval of a lease rental agreement with maximum annual payments of \$3,979,000 for a term of 23 years. Total project costs are \$37,614,233 with \$1,043,233 from the Capital Projects fund and \$2,071,000 from the Construction fund. The tax rate impact is \$0.4100 with a new facility rate impact of \$0.0600 expected. The common construction wage information was in order. There was no application for a petition and remonstrance process. The total project cost per square foot is 18.53% above the DLGF baseline.

Present for the hearing was Dr. Thomas Warmke, Superintendent; Jane Herndon, Ice Miller; Heather Harbert, OMS; Randy Stair, Stair Associates, Inc.; Steve Custer, Chief Financial Officer; Joe Buck, South Madison Community Schools; Lonnie Therber, Financial Advisor; Martin Truesdell, OMS; Mike Therber and Tom Thorton, Therber & Brock and Mark Matlock, Board President.

Project: This project involves the construction of a new middle school.

Comments: The Superintendent said that this project consists of a new seventh and eighth grade middle school for 900 students within approximately 171,000 square feet. They are requesting a lease not to exceed \$34.5 million.

The school administration actively invited and engaged the school community in discussion about new middle school projects since 1997. The first facilities task force met in 1997 and recommended a new middle school after the construction of a third elementary school, which was completed in 2002. The second task force convened in 2003 and met eight times. There was unanimous consensus to build a new seventh and eighth grade middle school. A demographic update was completed by Dr. Ivan Wagner on January 5, 2006, and he stated that the need for a new middle school is timely and appropriate.

South Madison Community Schools is a growing school district. The current middle school enrollment of approximately 625 students is at building capacity. By the 2009-2010 school year seventh and eighth grade enrollment is projected to exceed 670 students. District enrollment has grown 413 students during the last two years. The current enrollment is over 4,000 students. By the 2012-13 school year, District enrollment is projected to increase from slightly over 4,000 to more than 5,000 students. To relieve enrollment pressure at the elementary level, the current middle school will be used as an additional elementary school in 2009, which will delay the need of building a new elementary school for approximately five years. The current facility needs mechanical and cosmetic upgrades to accomplish this conversion.

In 2005 and 2006, five public forums were held to discuss the construction of a new middle school. All comments regarding the project were supportive. During the same period, the new middle school project was on the board agenda 25 times. At the 1028 hearing, 14 patrons spoke

in favor a building a new middle school. There were no objections from the school community, and the Board unanimously voted in favor of the resolution. Following the 1028 Hearing, *The Herald Bulletin* (in Anderson) stated in its editorial page on December 2, 2006 its support to build a new middle at a cost of \$35 million.

The campus proximity to the existing high school provides for shared use of the existing high school outdoor athletic facilities, which eliminates the need for the construction of new outdoor sports' fields. Facilities within the new middle school provides for moderate and severe special education break out programs. These facilities allow South Madison to serve severe students who are currently being bussed to Greenfield to meet their educational needs. The two story classroom wings are designed to accommodate team teaching with appropriate teacher conference, storage, and workspaces. The wings are positioned to be expandable in the event the District elects to increase the student body to 1,200 students. The large group instruction room opens to the cafeteria by means of an operable wall. This operation allows for the combination of these two spaces, providing a performance space to accommodate 50% of the student body without the need for an auditorium. The building design will be oriented toward favorable life cycle costs and low maintenance. Examples include terrazzo flooring at main corridors and masonry interior wall finishes. A geothermal mechanical system will provide for energy efficient heating and cooling. Mechanical spaces are accessed "at floor level" rather than in raised mezzanines. The intent is to permit maintenance staff to perform the majority of the maintenance tasks, reducing long-term costs. Four of their five school buildings are geothermal.

Mr. Custer said that this is a \$34.5 million lease issue. They felt this was the best way to finance this project. They will maintain a steady lease payment. They dovetail it in with existing debt to avoid large spikes in the debt service tax rate. The maximum increase in the debt service rate is twenty-two cents.

Mr. Mills asked if they feel it is fair that they will not be paying anything on this school for ten years. Mr. Custer said they had that discussion, but they community and board prefer to maintain a steady tax rate in debt service. If they did not dovetail this project they would probably be looking at an additional twelve cent increase in the tax rate. Mr. Therber said this approach will add an additional five million dollars to the project over twenty-two years.

Mr. Besinger asked what the total debt including interest of the corporation is. Mr. Therber said it is about \$130 million. Mr. Besinger asked if total debt including this project will be \$200 million. Mr. Therber said it will be \$194 million.

Mr. Umbaugh asked if the submitted schedule is correct. Mr. Therber said the included schedule includes this project. Mr. Umbaugh asked if the CPF funds are on hand. Mr. Custer said they have used those funds to purchase the land for this project. Mr. Umbaugh asked where the construction fund money comes from. Mr. Therber said this corporation appeared twice last year for general obligation bonds. The construction fund money is the \$1,750,000 general obligation bond approved last year to purchase the land. All of the money shown in the construction fund column has been spent.

Mr. Nemeth asked if the additional five million dollars was discussed that the public meetings. Mr. Therber said yes, he attended two meetings including the 1028 hearing where it was discussed. Mr. Nemeth said he is struggling with that amount. Mr. Therber said it is a growing school corporation and they expect to see that growth continue. Mr. Nemeth asked if it is told to the community that it is going to cost them an additional five million dollars. Mr. Custer said that they do not hold back that information. Mr. Nemeth said that in his opinion that is wasted money. He feels that spending five million dollars on interest is not the best use of taxpayer money. Mr. Therber said they are assuming the taxpayers will invest that money, and if they present value both streams of money they get almost the same value. They do not want that spike in the tax rate. Mr. Nemeth said it depends how you sell something. The general public does not understand all of this. Mr. Nemeth said this is the Tax Control Board not the tax rate manipulation board.

Mr. Umbaugh said this is similar to the East Noble project where they are building two elementary schools, which is not a good decision, but it is what the public voted for. Ms. Herndon said this is a growing district so there are more taxpayers coming in who will help pay for this. Also, they are not pushing the payments back to the last two years, they are just stepping the payments up as other debt comes off. The Superintendent said that it was explained very well and the thought process was that one generation should not have to pay for a facility that will be used by many generations.

Mr. Bronnert commented that the total project cost per square foot is about 18.5% above the DLGF baseline, the loose equipment and technology per student at enrollment is 130% above the baseline, and the percent of construction costs to total project cost is high. Mr. Bronnert asked what they have done to reduce these costs. They said there are a number of premiums included in the hard cost, which are off site development costs. They have a geothermal mechanical system that has a payback over time, but has a \$1.2 million upfront cost. If they take off these costs the cost per square foot of \$167 comes down to \$156 per square foot versus the 2006 DLGF baseline of \$146. If you inflate the \$146 by 10% to get to when construction begins that is \$160 per square foot compared to the \$156 cost after the premiums are removed. Mr. Bronnert asked about the loose equipment and technology cost. Mr. Custer said they are looking at putting overhead projectors in each room. The Superintendent said the teachers in this building are high end technology users. The number of computer rooms in this building is the same as they have in the current middle school. They submitted a breakdown of these costs.

Motion: Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$3,979,000 for 23 years. Ms. Hineline seconded the motion, which favorable carried 3-2. Mr. Bronnert and Mr. Besinger cast the dissenting votes. Mr. Mills was absent.